



ENVIRONMENTAL PROTECTION AGENCY

[Petition IV-2010-9; FRL-9700-9]

Clean Air Act Operating Permit Program;

Petition for Objection to State Operating Permit for Kentucky Syngas, LLC;

Muhlenberg County, Kentucky

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of final order on petition to object to a state operating permit.

SUMMARY: Pursuant to Clean Air Act (CAA) the EPA Administrator signed an Order, dated June 22, 2012, partially granting and partially denying a petition to object to a CAA merged prevention of significant deterioration and title V operating permit issued by the Kentucky Division for Air Quality (KDAQ) to Kentucky Syngas, LLC (KSG) for its facility located near Central City in Muhlenberg County, Kentucky. This Order constitutes a final action on the petition submitted by Environmental Policy & Law Center on behalf of Sierra Club and Valley Watch (Petitioners) and received by EPA on October 27, 2010. A petition for judicial review of those parts of the Order that deny issues in the petition may be filed in the United States Court of Appeals for the appropriate circuit within 60 days from the date this notice is published in the Federal Register.

DATES: [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]

ADDRESSES: Copies of the Order, the petition, and all pertinent information relating thereto are on file at the following location: EPA Region 4; Air, Pesticides and Toxics Management Division; 61 Forsyth Street, SW; Atlanta, Georgia 30303-8960. The Order is also available electronically at the following address:

http://www.epa.gov/region07/air/title5/petitiondb/petitions/kentuckysyngas_response2010.pdf

FOR FURTHER INFORMATION CONTACT: Art Hofmeister, Air Permits Section, EPA Region 4, at (404) 562-9115 or hofmeister.art@epa.gov.

SUPPLEMENTARY INFORMATION: The CAA affords EPA a 45-day period to review and, as appropriate, the authority to object to operating permits proposed by state permitting authorities under title V of the CAA, 42 U.S.C. 7661-7661f. Section 505(b)(2) of the CAA and 40 CFR 70.8(d) authorize any person to petition the EPA Administrator to object to a title V operating permit within 60 days after the expiration of EPA's 45-day review period if EPA has not objected on its own initiative. Petitions must be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided by the state, unless the petitioner demonstrates that it was impracticable to raise these issues during the comment period or the grounds for the issues arose after this period.

Petitioners submitted a petition regarding KSG (received by EPA on October 27, 2010), requesting that EPA object to the CAA title V operating permit (#V-09-001). Petitioners alleged that the permit was not consistent with the CAA because: (1) KDAQ failed to provide an opportunity for meaningful public participation; (2) KDAQ failed to consider and respond to comments on alternatives; (3) KDAQ's decision to permit the KSG facility and the Thoroughbred Mine separately was arbitrary and capricious; (4) the best available control technology (BACT) analyses omitted consideration of clean fuels and processes; (5) emissions estimates from the flare and BACT for the flare were in error; (6) the permit failed to meet certain requirements for hazardous air pollutants; (7) KDAQ failed to accurately account for all emissions of volatile organic compounds in the potential-to-emit calculation; (8) the permit's monitoring requirements for a variety of different units and pollutants were inadequate; (9) KSG failed to accurately estimate, sufficiently control and adequately model particulate matter; (10)

KDAQ failed to demonstrate that the proposed facility will not cause or contribute to violations of the ozone national ambient air quality standard; and (11) the permit lacked the necessary PM_{2.5} limit.

On June 22, 2012, the Administrator issued an Order partially granting and partially denying the petition. The Order explains EPA's rationale for partially granting and partially denying the petition.

Dated: July 6, 2012.

A. Stanley Meiburg,

Deputy Regional Administrator.

Region 4.